Rajya Sabha on 28th August, 1993 and state:

(a) whether all complex issues involved in launching prosecution against M|s. ITC Ltd. Calcutta have since been cleared and prosecution launched;

(b) if not, how much time the Excise Department would take to get all the complex issues cleared and by when the prosecution would be launched; and

(c) whether there is any dicision taken by Government not to launch prosecution against the tax evaders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) All complex issues on launching prosecution against M/s. I.T.C. Ltd. have not been cleared and hence prosecution not launched.

(b) The matter is under active consideration and all necessary steps are being taken. It is not possible to indicate a definite time frame as, apart from legal issues involved, voluminous records of different Collectorates of Central Excise pertaining to several years have to be sorted out.

(c) No, Sir.

Reduction the import/customs duty on Printing Machines

2690. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 858 given in the Rajya Sabha on the 1st March, 1994 and state:

(a) whether Government recognise the singular and consistent role played by the print media, as a mass, media of political and social awarness and emancipation;

(b) why the newspaper industry's and as for reliefs were earlier ignored whereas Government are going all out to promote the electronic media with incentives and an open air policy; and

(c) whether Government would now consider, in tune with the liberalisation process now under way, decontrolling the newsprint by rescinding the newsprint control Order, 1962 and also substantially reduce the import|customs duty on printing machinery and other consumables?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) to (c) Information is being collected and will be laid on the Table of the House.

Preferential treatment to foreign investors

2691. SHRI INDER KUAR GUJRAL: Will the Minister of FINANCE be pleased to refer to answer to Unstarred Question 93 given in the Rajya Sabha on the 22nd February, 1994 and state:

(a) whether he has taken note of a spurt in the shares recently;

(b) whether Government have stipulated any lock-in-period for investment;

(c) the taxation imposed on profits made by the foreign investors and the Indian inaestors; and

(d) whether the foreign investors are given some preferential treatment in the regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) Yes, Sir.

(b) For the portfolio investments of Foreign Institutional Investors (FIIs) no lock-in period is stipulated.

(c) and (d) The long term and Short term Capital Gains on portfolio investments of FIIs are taxed at the rate of 10 percent and 30 percent respectively and the dividend and interest income at the rate of 20 percent. The Indian Institutional Investors like Unit Trust of India and Mutual Funds registered with SEBI are exempted from payment of tax.

Rationalisation of customs duty structure

2692. SHRI B. K. HARIPRASAD: Will the Minister of FINANCE be pleased to state:

(a) whether inverted duty structure is still prevent in the country, which encourages import of finished products than the raw material for the production of polystyrene;

(b) whether Government are aware of the diversion, on this account, of a mammoth investment of more than DM 150 million by BASE of Germany to China in preference to their earlier plan for polystyrene plant at Mangalore in Karnataka;

(c) whether it is a fact that BASE had acquired land and built up infrastructure for their plant at Mangalore, which is now being used for setting up of a smaller unit for manufacturer of dyestuffs and dispersions; and

(d) whether Government are considering rationalisation of customs duty structure, in tune with liberalisation policy to attract potential investments from abroad?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURIHY): (a) No, Sir. The present customs duty structure on Polystyrene and its major raw materials is as indicated below:—

(i)	Styrene	— 15% ad valorem
(ii)	Ethylbenzene	— 15% ad valorem
(iii)	Polysterene	— 55% ad valorem

(b) The question of diversion of investment on account of the duty structur does not arise in view of (a) above.

(c) The factual information is being collected and will be laid on the Table of the House in due course.

(d) A number of changes have been made in the Union Budget for the year 1994-95 which will, inter-alia, provide a strong stimulus for new investments.

Import of insecticides and pesticides

2693. SHRI BHUPENDER SINGH MANN: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to continue import of fertilizers insecticides, pesticides, etc. for a healthy competition in the local market for the benefit of the farmers; and

(b) what steps are proposed by Government to ensure that the subsidies reach the farmers in real sense and not the industrialists, who usually engulf huge amount of subsidies in the name of the farmers?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) Government proposes to continue import of controlled frtilizers to bridge the gap between the demand and indigenous availability. For insecticides and pesticides, import of only technical grade material is allowed and no change is envisaged in the policy.